

**Objection Deadline: June 15, 2009**  
**Hearing Date: June 25, 2009**

FRASER TREBILCOCK DAVIS & DUNLAP, PC  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

**GENERAL MOTORS CORPORATION, *et al.*,**

Debtors

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Chapter 11  
Case No. 09-50026 (REG)  
Jointly Administered

**LIMITED OBJECTION OF THE CITY OF LANSING, MICHIGAN TO THE  
DEBTORS' MOTION FOR ENTRY OF ORDERS PURSUANT TO 11 U.S.C. §§361, 362,  
363 and 364: (i) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION  
FINANCING, INCLUDING ON AN IMMEDIATE, INTERIM BASIS; (ii) GRANTING  
SUPER PRIORITY CLAIMS AND LIENS; (iii) AUTHORIZING THE DEBTORS TO  
USE CASH COLLATERAL; (iv) GRANTING ADEQUATE PROTECTION TO  
CERTAIN PRE-PETITION SECURED PARTIES; (v) AUTHORIZING THE DEBTORS  
TO PREPAY CERTAIN SECURED OBLIGATIONS IN FULL WITHIN 45 DAYS; AND  
(vi) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001**

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The City of Lansing, Michigan, by its attorneys, Fraser Trebilcock Davis & Dunlap, P.C. objects to:

A. Motion of Debtors for Entry of Orders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364 (i) authorizing the Debtors to obtain post-petition financing, including on an immediate, interim basis; (ii) granting super priority claims and liens; (iii) authorizing the debtors to use cash collateral; (iv) granting adequate protection to certain pre-petition secured parties; (v) authoring the Debtors to prepay certain secured obligations in full within 45 days; (vi) scheduling a final hearing pursuant to bankruptcy rule 4001 (“Motion”). Docket No. 64:

B. Interim Order Pursuant to bankruptcy code §§ 105a, 361, 362, 363, 364 and 507 and bankruptcy rules 2001, 4001, 6004 (A) approving a DIP credit facility and authorizing debtors to obtain post-petition financing pursuant thereto, (B) granting related liens and super priority status, (C) authorizing the use of cash collateral, (D) granting adequate protection to certain pre-petition secured parties and (E) scheduling a final hearing (the “Interim Order”). Docket No. 292.

The City of Lansing’s limited objection is based on the following:

1. The City of Lansing is a tax collecting unit of government in the State of Michigan for both real and personal property taxes.

2. Debtor, General Motors Corporation, has both real and personal property within the City of Lansing, which is subject to ad valorem tax pursuant to MCL §211.1 et seq.

3. Pursuant to affidavits filed with the Ingham County, Michigan, Register of Deeds on June 4, 2009 pursuant to MCL §211.40a, the ad valorem taxes on the real and personal property of Debtor, General Motors Corporation, which will be billed July 1, 2009 and

December 1, 2009, became a lien as of December 31, 2008. A copy of the affidavits are attached as Exhibit A.

4. Debtor, General Motors Corporation, also has real property in the City of Lansing which is subject to infrastructure improvement tax pursuant to MCL §207.551 et seq.

5. Pursuant to an affidavit filed with the Ingham County, Michigan, Register of Deeds on June 4, 2009 pursuant to MCL §207.563, the infrastructure improvement taxes on the real property of Debtor, General Motors Corporation, which will be billed July 1, 2009 and December 1, 2009, became a lien as of December 31, 2008. A copy of the affidavit is attached as Exhibit B.

6. Pursuant to MCL §211.1 et seq., ad valorem real and personal property taxes are a first lien on the property for which the taxes are imposed.

7. Pursuant to MCL §207.551 et seq., infrastructure improvement taxes are a first lien on the property for which the taxes are imposed.

8. The Motion and Interim Order, among other relief, seek to grant super priority claims and liens to the DIP Lenders pursuant to Bankruptcy Code § 364 on pre-petition property.

9. Inasmuch as the liens established by the City of Lansing effective December 31, 2008 pursuant to the provisions of MCL §211.40a and §207.551 for the 2009 ad valorem taxes on real and personal property owned by Debtor, General Motors Corporation, and the 2009 infrastructure improvement taxes on real property owned by Debtor, General Motors Corporation precede the filing of the petition of Debtor, General Motors Corporation, the liens are not affected by the Motion and Interim Order.

10. Alternatively, to the extent the liens established by the City of Lansing effective December 31, 2008 are within the ambit of the Motion and Order, the City of Lansing objects to

the Motion and Interim Order for the reason that the City of Lansing and other governmental units for which it collects taxes are obligated as a matter of Michigan law to provide certain services to taxpayers within the City of Lansing, including Debtor, General Motors Corporation.

11. The *quid pro quo* for the obligation of the City of Lansing and the other governmental units for which it collects taxes to provide services is the assurance granted by the Michigan legislature that the taxes required to fund these services will be a first lien on the real and personal property of each taxpayer.

12. Should the liens and claims proposed by the Motion and Interim Order be imposed, and should any subordinate lien of the City of Lansing for the 2009 and later ad valorem and infrastructure improvement taxes be insufficient to secure payment of those taxes, the City of Lansing and the other governmental units providing these services will be left without revenue to pay for the services. Therefore, the Orders must assure adequate protection for the City of Lansing for 2009 and later taxes.

WHEREFORE, the City of Lansing objects to entry of any order in these proceedings which would have the effect of granting a lien on any pre-petition property of Debtor, General Motors Corporation, which would be superior to the liens of the City of Lansing for 2009 and later ad valorem and infrastructure improvements taxes owed by Debtor, General Motors Corporation without adequate protection for 2009 and later taxes.

Dated: June 15, 2009

Fraser Trebilcock Davis & Dunlap, P.C.

Attorneys for the City of Lansing

/s/ G. Alan Wallace

G. Alan Wallace (P-69333)

Fraser Trebilcock Davis & Dunlap, P.C.

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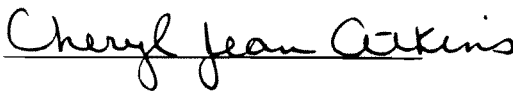
# EXHIBIT A

**AFFIDAVIT OF CITY OF LANSING TREASURER**

1. I am the Treasurer of the City of Lansing, Michigan, a Michigan municipal corporation, whose address is 124 W. Michigan Avenue, Lansing, MI 48933.
2. General Motors Corporation, whose address is 300 Renaissance Center, Detroit, Michigan 48265-3000 is the owner of personal property, as identified on the tax rolls, which is subject to assessment and tax in the City of Lansing.
3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.
4. The tax identification numbers of the personal property referenced in paragraph 2 are stated on Exhibit A attached.
5. This affidavit is given pursuant to MCL 211.40a, for the purpose of designating December 31, 2008 as the date on which taxes for the personal property referenced on Exhibit A become a lien on that property.
6. The taxes due were levied for 2009.
7. The taxes were assessed December 31, 2008.

  
\_\_\_\_\_  
Antonia Kraus

Subscribed and sworn to before me by Antonia Kraus on June 2, 2009.

  
\_\_\_\_\_  
Notary Public  
Ingham County, Michigan  
My commission expires:  
02.28.2015  
\_\_\_\_\_  
CHERYL JEAN ATKINS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF INGHAM  
My Commission Expires Feb. 28, 2016  
Acting in the County of Ingham

This instrument prepared by  
Douglas J. Austin  
Fraser Trebilcock Davis & Dunlap, P.C.  
124 W. Allegan Street  
Suite 1000  
Lansing, Michigan 48933  
517-377-0838



**EXHIBIT A**

(Personal property tax identification numbers)

90-23-50-85-105-000

90-33-01-24-839-000

90-33-01-24-888-000

90-33-01-24-905-000

90-33-01-24-907-000

90-33-01-24-914-000

90-33-01-24-915-000

90-33-01-24-925-000

90-33-01-65-169-000

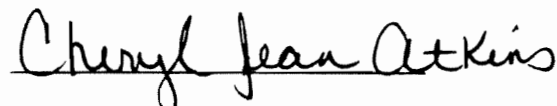


**AFFIDAVIT OF CITY OF LANSING TREASURER**

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2. General Motors Corporation, whose address is 300 Renaissance Center, Detroit, Michigan 48265-3000 is the owner of real property, as identified on the tax rolls, which is subject to assessment and tax in the City of Lansing.
3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.
4. The tax identification numbers of the real property referenced in paragraph 2 are stated on Exhibit A attached.
5. This affidavit is given pursuant to MCL 211.40a, for the purpose of designating December 31, 2008 as the date on which taxes for the real property referenced on Exhibit A become a lien on that property.
6. The taxes due were levied for 2009.
7. The taxes were assessed December 31, 2008.

  
Antonia Kraus

Subscribed and sworn to before me by Antonia Kraus on June 2, 2009.



Notary Public  
Ingham County, Michigan  
My commission expires:

02.28.2015  
CHERYL JEAN ATKINS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF INGHAM  
My Commission Expires Feb. 28, 2015  
Acting in the County of Ingham

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Suite 1000  
Lansing, Michigan 48933  
517-377-0838

**EXHIBIT A**

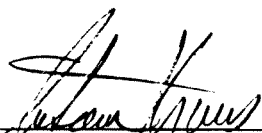
(Real property tax identification numbers)

23-50-40-28-301-001  
23-50-40-32-250-001  
23-50-40-33-101-002  
33-01-01-17-101-023  
33-01-01-17-176-001  
33-01-01-20-135-141  
33-01-01-20-136-122  
33-01-01-20-203-121  
33-01-01-20-204-014  
33-01-01-20-205-066  
33-01-01-20-206-002  
33-01-01-20-208-005  
33-01-01-20-209-083  
33-01-01-20-209-085  
33-01-01-20-210-006  
33-01-01-20-211-001  
33-01-01-20-211-042  
33-01-01-20-228-003  
33-01-01-20-129-001  
33-01-01-21-131-012  
33-01-01-21-151-006

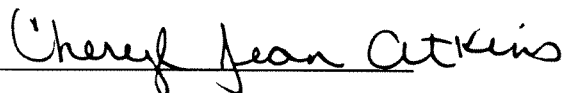
# EXHIBIT B

**AFFIDAVIT OF CITY OF LANSING TREASURER**

1. I am the Treasurer of the City of Lansing, Michigan, a Michigan municipal corporation, whose address is 124 W. Michigan Avenue, Lansing, MI 48933.
2. General Motors Corporation, whose address is 300 Renaissance Center, Detroit, Michigan 48265-3000 is the owner of real property, as identified on the tax rolls, which is subject to assessment and industrial facilities tax in the City of Lansing.
3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.
4. The tax identification numbers of the real property referenced in paragraph 2 are stated on Exhibit A attached.
5. This affidavit is given pursuant to MCL 207.563, for the purpose of designating December 31, 2008 as the date on which the industrial facilities taxes for the real property referenced on Exhibit A become a lien on that property.
6. The taxes due were levied for 2009.
7. The taxes were assessed December 31, 2008.

  
\_\_\_\_\_  
Antonia Kraus

Subscribed and sworn to before me by Antonia Kraus on June 2, 2009.



Notary Public  
Ingham County, Michigan  
My commission expires:

02.28.2015

CHERYL JEAN ATKINS  
NOTARY PUBLIC - STATE OF MICHIGAN  
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517-377-0838



**EXHIBIT A**

(Real property industrial facilities tax identification numbers)

95-23-50-32-250-001

95-23-50-33-101-001

95-33-01-21-151-006

95-33-01-80-286-000

95-33-01-80-287-000